

CHAPTER 14
OFFSET OF COUNTY DEBTS OWED DEPARTMENT

PREAMBLE

These rules provide a process for the department (1) to identify counties that owe liabilities to the department and (2) to cooperate with the department of revenue and finance for offsetting the counties' claims against state agencies with the liabilities which those counties owe the department. The process for identifying counties that owe liabilities and the process for offset each include notice and opportunity to be heard.

441—14.1(217,234) Definitions.

“Department” means the Iowa department of human services.

“Director” is the director of the Iowa department of human services.

“Liability” or *“debt”* means any liquidated sum due and owing to the department which has accrued through contract, subrogation, tort, operation of law, or any legal theory regardless of whether there is an outstanding judgment for that sum. Before setoff, the amount of a county's liability to the department shall be at least \$50.

“Offset” shall mean to set off or compensate the department which has a legal claim against a county where there exists a county's valid claim on a state agency that is in the form of a liquidated sum due, owing and payable. Before setoff, the amount of a county's claims on a state agency shall be at least \$50. The offset process shall not begin until the department has responded in writing to the county's request to resolve the unpaid bill.

441—14.2(217,234) Identifying counties with liabilities.

14.2(1) Notice to county regarding liability. When a bill to the county remains unpaid 60 calendar days following the date of the bill, the county shall be given written notice by the department. This notice shall:

- a. State the amount due, the name of the patient or client, and the dates of service.
- b. State the department's intent to use the offset program as provided in department of revenue and finance rules 701—Chapter 150.
- c. Require the county to send a written request for review to the division of fiscal management within 30 calendar days of the date of notification if the county disputes the bill.

14.2(2) Request for administrative review. The county may request an administrative review by providing to the division of fiscal management within 30 calendar days of the date of the notice of liability a written response that states why the county disagrees with the amount owed. The county shall provide any relevant legal citations, client identifiers, and any additional information supporting the county's position.

14.2(3) Administrative review. The division of fiscal management shall review within 30 calendar days of receipt of the written request the basis for the bill and the county's position as stated in the written request for review. The division of fiscal management shall notify the county of the findings of the review in writing within 30 days of receipt of the written request.

a. The division shall make the necessary adjustments to subsequent billings sent to the county when the division agrees with the county's position regarding the liability and shall so notify the county.

b. Any further disputes concerning the amount due shall be addressed when the offset notice is issued pursuant to rule 441—14.4(217,234).

441—14.3(217,234) List of counties with amounts owed.

14.3(1) *Notification to department of revenue and finance.* The division of fiscal management shall provide to the department of revenue and finance a list of the counties with amounts owed as established through rule 441—14.2(217,234). This list shall be maintained by the department of revenue and finance in a liability file.

14.3(2) *Notification of change.* The division of fiscal management shall notify the department of revenue and finance of any change in the status of a debt in the liability file within 30 calendar days from the occurrence of the change.

14.3(3) *Certification of file.* The division of fiscal management shall certify the file to the department of revenue and finance semiannually in a manner prescribed by the department of revenue and finance.

441—14.4(217,234) Notification to county regarding offset.

14.4(1) *Notice.* The division of fiscal management shall send notification to the county within ten calendar days from the date the department of revenue and finance notifies the division of a potential offset. This notification shall include:

- a. The department's right to the payment in question.
- b. The department's right to recover the payment through this offset procedure.
- c. The basis of the department's case in regard to the debt.
- d. The right of the county to request the split of the payment between parties when the payment in question is jointly owned or otherwise owned by two or more persons.
- e. The county's right to appeal the offset pursuant to 441—Chapter 7.
- (1) and (2) Rescinded IAB 8/7/02, effective 9/11/02.
- f. Rescinded IAB 2/5/03, effective 2/1/03.
- g. The telephone number for the county to contact in the case of questions.

14.4(2) *Copy of notice.* The department of revenue and finance may require a copy of this notice be sent to it.

14.4(3) *Appeal request.*

- a. The county shall have 30 days to request an appeal. The county shall waive any right to appeal if the county fails to respond within 30 calendar days of the date of the notification.
- b. The request for appeal should include any relevant legal citations and any additional information supporting the county's position. If the county believes it has provided all relevant information as a part of the disputed-billing process, the county may instead note that the department already has the relevant information.
- c. The county's request for appeal shall suspend the offset action until a final appeal decision is issued.

441—14.5(217,234) Implementing the final decision. When the final decision issued pursuant to rule 441—7.16(17A) upholds the department's action or modifies the amount of offset, the division of fiscal management shall certify to the department of revenue and finance that the requirements for offset under Iowa Code section 421.17 have been met. When the final decision reverses the department's action, the division of fiscal management shall notify the department of revenue and finance to release the offset.

14.5(1) and 14.5(2) Rescinded IAB 8/7/02, effective 9/11/02.

441—14.6(217,234) Offset completed.

14.6(1) *Offset implemented.* The offset shall be made by the department of revenue and finance as prescribed in department of revenue and finance rules 701—150.6(421) and 150.7(421).

14.6(2) *Notification to county.* Once the offset has been completed, the division of fiscal management shall notify the county of the action taken along with the balance, if any, still due to the department.

14.6(3) *Duty of the department.* The department shall pay to the county any payment offset by the department of revenue and finance to which the department is not entitled, in accordance with established procedures.

These rules are intended to implement Iowa Code sections 217.6 and 234.6.

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